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MESSAGE

OF THE

GOVERNOR OF OHIO,

TO THE

FIFTY-FOURTH GENERAL ASSEMBLY,

AT THE

SESSION COMMENCING JANUARY 2, 1860.

COLUMBUS:
RICHARD NEVINS, STATE PRINTER.
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GOVERNMENT OF OHIO

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THE COMMISSIONER OF THE LAND OFFICE

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GOVERNOR'S MESSAGE.

Fellow-Citizens of the Senate and House of Representatives:

The people, with whom is the sole sovereignty of the State, have committed to you, for the fifth biennial period under the existing Constitution, the legislative authority of the Commonwealth. Upon this first secular day of the new year you assume the great function thus assigned to you, and enter upon the performance of your important duties.

Powers of government, delegated by the people of free States to chosen Representatives, whether Legislative, Judicial or Executive, are sacred trusts. The people who honor, by such proofs of confidence, those whom they select for employment in public functions, have a clear right to expect from them fidelity, zeal, and unremitting diligence in the promotion of the public good. Having confided, by election, the powers of government to citizens of their choice, they return to their respective avocations trusting confidently that all public interests and public rights will be diligently promoted and faithfully guarded, and that each individual will be fully protected by equal laws and impartial administration, while contributing, in his sphere, to the general good by private thrift. How weighty the obligation which such confidence must impose on right-minded men! How deep and earnest the solicitude which all true-hearted representatives must feel, that neither by remissness, nor by indifference, nor by abuse, the just expectations of a generous people may be disappointed!

No extraordinary changes in the condition of the State have occurred during the past year. Private and public affairs have gradually recovered from the depressing effects of financial revulsion and official delinquency. Health has invigorated and sustained the energies of industry. The labors of the field, though frustrated in several counties as to important

crops, by the severe and unusual frost of June, have, nevertheless, been rewarded by a harvest fully equal, in the State at large, to those of ordinary years. In mining, manufacturing, and commercial, as well as in agricultural pursuits, improved machinery and processes, augmented capital, and increased numbers of laborers, have yielded proportionally increased returns. Institutions of Religion, Education, and Charity, whether organized by the voluntary zeal of individuals or the wise providence of the State, have contributed, in full measure, to improvement, melioration and progress. Solid growth, substantial prosperity, and social order, distinguish alike the condition of the State and the people, and demand grateful acknowledgments to the Supreme Disposer of events, whose blessing alone gives real value to the results of human labor and human wisdom.

The sixth general valuation of real property has taken place during the past year, and will, naturally, direct your attention to our material resources as thus exhibited, and their relations to the general condition of the State.

The theory of taxation, settled by the Constitution and sanctioned by general approval, requires that all property of whatever description, shall contribute to necessary public expenses in exact proportion to value. The exceptions to the practical application of the rule, admitted by the Constitution and by law, are of properties belonging to individuals not exceeding fifty dollars in value, and properties belonging to the counties, the State and the Union, or held and used exclusively under public authority for educational, religious and charitable purposes.

In order to give practical effect to the intention of the Constitution, provision has been made by law for periodical valuations. All lands and town lots whatever, subject to taxation, are required to be valued once in six years; while lands recently become taxable, being for the most part, lands sold by the Federal Government or the State, together with all recent improvements on lands, and all non-exempt personal property, must be valued annually.

These appraisements, directed to be made at the true value in money, will exhibit, if the law be intelligently and faithfully executed, the progressive increase or diminution of wealth in the State, and in each locality, with approximate correctness.

Some deductions and some additions must be made on account of that property which is taxed more than once in different forms, and of that

which, through the negligence of assessors, or in spite of their vigilance, will, under every system of taxation, escape just contribution. Some additions must also be made to the official appraisements, on account of the disparity which is always found to exist between the average assessment and the average market value. It is to be remembered, also, that valuations must always be affected necessarily by the general circumstances of the country. In a time of extraordinary apparent prosperity and general expansion, valuations may be too high; and in a time of revulsion and great depression will almost certainly be too low. With the corrections suggested by these considerations, the valuations of each year, and especially of each sixth year, will supply the means of ascertaining, with some reasonable approximation to accuracy, the actual amount of property within the State.

Nearer approaches to absolute exactness will doubtless be constantly made, as experience shall suggest more perfect legislation, and clearer appreciation of the duties enjoined by it shall secure more complete and faithful listings and appraisements. Every citizen and every assessor should bear in mind that the assessment of property at its true value does not increase the amount of taxes to be paid by proprietors. If the aggregate amount of property is augmented by correct assessment, the total taxation need not be affected, for the rates may be diminished. Correct assessments, at real value, will alone insure the equitable apportionment of public burdens among the people. Whoever, therefore, causes his property to be listed at less than actual value, evades his just share of public contribution, and unjustly increases the proportions of his fellow-citizens.

A succinct account of the various systems of taxation adopted in this State, and of the valuations made, will illustrate these observations, and will enable you the better to understand our present condition.

For many years no provision for general valuation constituted part of the revenue system of Ohio. All lands were classed as first, second or third rate, and taxes for the support of the State government were raised by assessments according to rate, varying, at first, from twenty to sixty cents, and, at last, from seventy-five to one hundred and fifty cents on each hundred acres. The assessments were fixed by legislative enactment, without reference to the different values of different tracts of the same rate.

Taxes for county and township purposes were levied on town lots and buildings according to appraised value, and on a few specified classes of animals, valued at certain rates per head, by law, without appraisalment.

That this system was inconvenient and inequitable, is very manifest. The assessment of taxes for State and county purposes, on different descriptions of property, was productive of no little embarrassment and difficulty; while the assessments according to rates, and not according to value, resulted in great and grievous inequality, which became more and more conspicuous and vexatious with the progressive but very unequal increase in the value of lands. In 1824, the taxes levied for State purposes in Hamilton county amounted to \$2,080, while Athens, with less than one-thirteenth in value of the real property in Hamilton, paid taxes of the same description to the amount of \$2,142.

It was not until 1825, however, that this system,—if system it may be called,—was abandoned. In that year,—distinguished in our annals by the coincident adoption of practical and efficient measures for common school education, internal improvement by canals, and taxation according to value,—provision was first made, by legislative enactment, for the valuation of real property at its true value in money. The amount of personal property actually valued, however, was still small. Merchants and brokers were arranged in certain classes, by the associate judges, according to capital, and were taxed according to class, without reference to the amount of capital actually employed by different members of the same class. The values of the animals subjected to taxation were still fixed by the legislature without appraisement, and the list of exempted property was very large, including, not only real property used for educational, religious and charitable purposes, but mills and factories almost or quite without exemption.

It will be seen, therefore, that the act of 1825 initiated, rather than established, the rule of valuation, and taxation according to value. But this was no small merit, and it was enhanced by the introduction of a uniform system of levies for all purposes, both State and local, and of a provision for the equalization of valuations as between individuals, by County Boards, and as between counties by a State Board of Equalization. Both, in substance, still make parts of our revenue system.

It will be admitted, of course, that the valuation directed and made under the act of 1825 affords no satisfactory measure of the actual wealth of the State at that time. It has, however, some claim to attention even in that view, and it has a higher interest as the practical result of the first attempt to ascertain, however defectively, a true basis for the equitable apportionment of public burdens among the citizens. The whole number

of acres subject to taxation, returned by the assessors, was 15,143,309; the average value per acre, as equalized by the Board of Equalization, was \$2 47; the total value of lands was \$37,714,225; of town lots, \$7,321,034; in all \$45,035,259.

The act of 1825 fixed no period for a second general valuation. The appraisement made under it was to remain unaltered until further legislation. The county assessors, however, were required to ascertain in the spring of each year, what land had become liable to taxation during the preceding year, and what new permanent improvements had been made by structures on lands. The value of this land and these improvements, annually ascertained by the assessors, together with that of all taxable personal property, computed according to arbitrary rates fixed by law, added annually to the equalized value of the real property, was to constitute the Grand List, and form the basis of taxation for the current year.

Thus, in 1826, the valuation permanently settled by the Board of Equalization, with the valuations, in the spring, of lands recently become taxable, of new improvements, and of personalty, constituted the first Grand List under the act, upon which were to be assessed the necessary levies for State, County and Township purposes. The value of lands was \$39,729,411; the value of town lots and personal property was \$18,745,096. The total valuation was \$58,474,507.

Important changes in the laws relating to taxation were introduced in 1831. An act of that year enlarged very considerably the descriptions of taxable property; reduced the list of exemptions, and extended the application of the principle of appraisement and proportioned contribution. It did not disturb, however, the valuation of real property equalized in 1825; and it still retained, in some of its applications, the principle of arbitrary valuation by the legislature.

At length, after the lapse of nine years, a revaluation of all real property was directed by the legislature in 1834; was made the same year, and was equalized in 1835. The property revalued consisted of the descriptions made taxable by the act of 1831; for the act directing the revaluation had made no change in the subjects of taxation.

The result exhibited a striking increase. The equalized value of the lands and town lots was \$73,932,892. The Grand List of 1835, embracing this valuation, increased by the usual spring valuations, amounted, exclu-

sive of four counties, whose returns had not been received, to \$95,927,396. In nine years the value of taxable property had increased \$37,452,889.

A third valuation was made in 1840, and was equalized in 1841. The subjects of valuation were still defined by the act of 1831. The equalized valuation was \$99,154 745. The Grand List for 1841, embracing this valuation and the additions for real estate and personal property, made in the spring of that year, was \$128,353,657. The increase in five years had been \$32,426,261.

A thorough revision of the laws concerning taxation took place in 1846. Important additions were made to the descriptions of taxable property; exemptions were restricted and defined with greater precision; rules of appraisement were prescribed with a view to ensure a closer approximation of valuation to value; the principle of actual appraisement was for the first time applied to all objects of taxation to which, in the nature of things, it was applicable; clear directions were given for the annual listing and valuation of lands becoming taxable for the first time, of improvements, and of all personal property; a new valuation of all real property was directed, and provision was made for future valuations in every sixth year.

The first general valuation required by this act, being the fourth in the whole series, was made in 1846, and was equalized the same year. The influence of the wise provisions of the new law was conspicuous in its results, which for the first time approximated, though still remotely, the actual value of the real property in the State. The value of that description of property, as equalized, was \$324,495,804.

The Grand List of 1847, embracing this equalized valuation, the spring valuation of personal property amounting to \$83,964,430, and the other usual spring valuations, exhibited an aggregate of \$410,763,160. The increase in six years had been almost incredible. It was \$281,409,503.

Before the time for the second valuation under the act of 1846 arrived, a new Constitution had been adopted. The principle of that act, extended in its application to all property whatever, with some specific exemptions, was now incorporated into the fundamental law; and the first General Assembly under the new Constitution, provided for a general valuation and equalization of real property in 1853, and every sixth year thereafter. In pursuance of this act, the fifth general valuation took place and was equalized in 1853. The aggregate of the equalized valuation

was \$558,725,542. The personal property listed the following spring was valued at \$297,061,572. The Grand List for 1854, including with these values those of the lands and new improvements listed in the spring, was \$866,929,982. The increase in seven years had been again startling. It was \$456,166,822.

The appraised now more closely approached the real value, and no such apparently rapid augmentation of the list could be in future expected.

The sixth valuation took place during the past year, under an act of the last General Assembly, and its equalization is not yet completed. According to the returns made by the County Auditors, under the act of April last, the aggregate number of acres taxed is 25,314,280; the average value of each acre, \$17 48; and the total value of the whole real property \$641,918,151. The lists of personal property included in the spring valuations, are not yet made. Should they show an increase during the year proportioned to that of the real property during six years, the amount will not be less than \$257,000,000; and the general aggregate, assuming that the total valuation of realty will not be reduced by equalization, will be about \$900,000,000. The increase for six years will be about \$33,000,000.

The Grand List of 1860 will doubtless show, with reasonable accuracy, the true amount of taxable property in the State. Returns of exempt property from all the counties, except Hamilton and Fayette, exhibit an aggregate of \$10,570,858. These returns are doubtless imperfect. The real amount of this description of property, in all the counties, including chattels, does not, probably, fall much short of \$50,000,000. The Commissioner of Statistics, basing his opinion on reports of actual sales, estimates the entire property in the State, at \$1,050,000,000.

The population of the State is now about two millions and a half. Such a population, grown up from the twenty-five thousand of sixty years ago, educated, energetic and indefatigable, and possessed of such a mass of means, created by the skill and industry of two generations, presents a striking picture of progress and power.

I venture to suggest the expediency of directing the general valuations of real estate, after the next, to be made once in five years; so that the results obtained under State authority, may be easily compared with those obtained under Federal in the census years; while those obtained by the general valuation in the intermediate years, and the annual estimates, will

supply the means of determining the rate of growth and progress each year during the interval between those years.

The amount of debts, of whatever description, State, corporate, commercial and every other, is now estimated at \$240,000,000; but of these not less, probably, than one-third would be cancelled by payment of other debts embraced in the same aggregate. The whole existing debt, constituting a real charge upon the whole existing property, hardly, if at all, exceeds \$160,000,000; about one-sixth of its value. If this sum be compared, not merely with the entire property, but with the entire products of the State, which according to my estimate in 1858, amounted in 1857 to \$261,867,500, and doubtless exceeded that sum in 1859, or with the probable net products after deducting the consumption, direct and indirect, of the people, the gratification afforded by the spectacle of our general prosperity, will not be sensibly abated.

While this review of the progressive development of our revenue system and of our material resources, must necessarily inspire a just confidence in the physical energies and financial strength of our great commonwealth, it will also serve, I trust, the humbler purpose of contributing to a clearer understanding of the relations of taxation and disbursement to means of contribution, and of the necessity of carefully observing these relations in levies and appropriations.

The fundamental principle of our revenue system, that all property, not exempted upon overruling considerations of policy, shall contribute to necessary public expenses in just proportion to value, is now firmly established in the convictions of the people, and nothing is more certain than that they will insist on its uniform and universal application. If there be any description of property which has hitherto escaped just contribution, the Legislature representing the people will not hesitate to subject it to the operation of the general principle.

It is a great merit of the system that it is easily understood, and that the result of any given rate of assessment cannot materially deceive expectation. As the Grand List supplies the basis of revenue, and as the necessary means to meet all State, County and municipal expenses are provided by assessments for State purposes on the entire list and for local purposes on the property listed within the respective localities, legislative adjustment of levies to the public needs, and of appropriations to levies, can never be difficult. The rates of levy being fixed, the revenue for the years intervening between general valuations can always be predicted with

reasonable certainty. The equalized valuation is the permanent, and the annual valuations are the variable elements of the Grand List. The equalized valuation once made remains unchanged until the next valuation year. The first Grand List after equalization exhibits the aggregate subject to contribution; and the Grand Lists of subsequent years until a new valuation, will, of course, exhibit the same aggregate, increased or diminished only by the increase or diminution of the annual valuations. The Grand List of no year except immediately after a general valuation, or in consequence of some legislative action, the results of which the Legislature must of course foresee, can differ widely from that of the preceding year.

The General Assembly convened in any year, has, therefore, always at hand the means of ascertaining, with substantial accuracy, the revenues of that and the next fiscal year. Levies already made on the Grand List of the preceding year will produce the former, and levies on the Grand List of the current year, of rates fixed or sanctioned by the Legislature itself, will produce the latter. With a given basis and given rates it is easy to compute revenue.

With these observations it seems proper to submit to you a suggestion more than once addressed to your predecessors:—that it is indispensable to every sound financial system that appropriations be limited by revenues, and expenditures by appropriations. The derangements which have sometimes embarrassed our finances may be traced, almost invariably, in the absence of crime, to a disregard of this salutary principle. Nothing but an overruling emergency can justify appropriations beyond revenue, or expenditures beyond appropriations. When so justified, the appropriations in the former case should be promptly provided for by taxation, and the expenditures in the latter case should be as promptly reported to the Legislature for its judgment and sanction.

I embrace this occasion to suggest the expediency of requiring, under suitable penalties for omission, all officers having charge of works or institutions, to state distinctly, in connection with each annual report, whether any debts, beyond appropriations, were outstanding at the close of the year, and, if any, their precise nature and amount. For all such debts the officers contracting them are, under existing laws, personally responsible, and their payment, without express legislative sanction, out of any subsequent appropriation, should be strictly prohibited.

In this connection I also renew my recommendation of an appropriation

for each year of a sum sufficient to provide against unforeseen emergencies, subject only to the warrants of the Governor, to be drawn on satisfactory evidence of necessities unexpectedly requiring extraordinary expenditures.

The public welfare would likewise be promoted, in my judgment, if the several officers of the Executive Department were organized as an Executive Council, and required to meet from time to time, and whenever convoked by the Governor, for consultation and action in regard to public interests. The sanction of such a Council to the drafts on the contingent appropriation just proposed, would constitute an ample guaranty against improvidence and abuse.

The whole amount of receipts into the Treasury during the last year was \$3,520,154, and the balance from the preceding year was \$226,118. The total sum subject to disbursement in 1859, was \$3,746,272.

Of this sum \$22,000 was realized from drafts in anticipation of the revenue of 1860; \$2,939,733 were received from levies, on the Grand List of 1858, of one mill and a half on the dollar for Common Schools; one-tenth of a mill for School Libraries; nine-tenths for Sinking Fund; seven-twentieths for reimbursement of Temporary Loan; and seven-tenths for general expenses of State Government. These levies, amounting in the aggregate to three mills and eleven-twentieths on the dollar, assessed upon the taxable valuation of \$840,800,031, exhibited by the Grand List of 1858, would have produced, if fully collected, \$2,984,840. The difference between this sum and the revenue actually received—about forty-five thousand dollars—is attributable to costs of collection, variations between delinquencies unpaid and delinquencies collected, and errors in assessment.

The principal sources of revenue, other than levies, are Tolls and Water-rents on the Public Works; collections of Surplus Revenue; Proceeds of sales of lands; Convict labor; and Canal, Turnpike and Railroad Dividends. Of receipts from these and other sources besides levies, some, classed as revenue, cannot properly be considered such. Proceeds of over-work of convicts, for example, and collections on old claims, and advances from contingent funds of Executive Officers are not properly revenue; but either simple deposits, or means made money, or mere transfers from one account to another. It is to be observed, moreover, that more than the whole realized from all sources, except levies, is either absorbed by the expenses of the Public Works, and the Penitentiary, or specifically appropriated to

the Sinking Fund for the payment of interest and principal of the Public Debt.

For the annual expenses of the State in Education, for Benevolent Institutions and for all departments of the State Government, no substantial reliance can be placed on any other sources of revenue than the annual levies.

The whole amount of disbursements during 1859, upon all accounts, was \$3,552,304, and the balance in the Treasury at its close, was \$193,276.

A more particular review of the several branches of collection and disbursement will present, in a still clearer light, the financial transactions of the year. For the support of the State Government and Institutions there was collected during the year, from levies on the Grand List, the sum of \$603,647. Receipts from licenses and auction duties; from the Penitentiary; from taxes on Banks and from claims collected, together with the balance at the close of 1858, increased this sum to \$884,107. From this sum several amounts, not properly constituting revenue, should be deducted, leaving the true sum for disbursement, \$868,950. Of this there was disbursed during the year, \$782,585. But as the receipts did not exactly represent revenue, so neither did the disbursements precisely represent expenditures. For example, the sum of \$63,460 is charged as disbursed, when the real transaction was the placing of old claims, nominally of that amount, in the hands of the proper officers for collection; and the sum of \$90,200 was similarly charged, when the whole amount was paid, not for general purposes, but on account of Public Works, under the direction of your predecessors. The actual disbursements for the Executive, Legislative and Judicial departments, and all the benevolent and reformatory State Institutions, including the Penitentiary, were, therefore, \$626,838. The balance remaining was \$101,591.

For the expenses of the Public Works there was received, from tolls and water rents on the Ohio Canal, \$71,442; on the Miami and Erie Canal \$114,237; on the Muskingum Improvement \$18,274; on the Hocking Canal, \$17,301; on the Walhonding Canal, \$475; on the Western Reserve and Maumee Road, \$2,181; on the National Road, \$5,551; from sales of Canal lands, \$516, and from other sources, \$9,921; in all, \$246,781. The disbursements were \$336,982. The apparent excess of outlay over income was, therefore, \$90,200, and this amount was paid from the General Revenue, as has just been stated. Of this sum, however, \$84,034 was expended in payment for

the Lewistown Reservoir, and for other special purposes, outside of the proper repairs of the year. The real excess of cost over receipt was \$6,170.

For common schools, there were collected on the grand list, \$1,248,797. There were also collected on the grand list, for schools, but as part of the levy for Sinking Fund, \$153,695 69. This sum was the interest on the Irreducible Debt, created by the appropriation of the proceeds of the school lands to general State purposes. The two sums, with the balance from the preceding year, formed an aggregate for school purposes of \$1,418,647, of which were disbursed \$1,365,928, leaving a balance of \$52,719.

The amount collected for School Libraries, already stated, with the balance of the preceding year, was \$80,173. The amount disbursed was \$79,579, leaving a balance of \$593.

For payment of debt and interest, there were collected from levies, \$1,029,124; of which \$740,970 were for the general purposes of the Sinking Fund, and \$288,154 were for the reimbursement of the Temporary Loan. There were also received for the Sinking Fund, from Surplus Revenue deposited with counties, from sales of School Lands, from Canal, Turnpike and Railroad dividends, and from a few other comparatively unimportant sources, \$145,952; and there were returned to the Treasury, of money drawn for the payment of interest, \$28,112. These sums, with the balance of \$67,050 from 1858, amounted to \$1,270,238, which was the amount applicable to Sinking Fund purposes in 1859. Of this amount, \$883,070 were used to pay interest on the Foreign Debt; \$18,216 on the Domestic Debt; \$153,809 on the Irreducible Debt; \$12,759 were applied in payment of the expenses of the Fund Commissioners, including the cost of a vault for their office; \$1,300 in discharge of a claim ordered to be paid by the last General Assembly; and \$62 528 in purchase of bonds of the Temporary Loan, and other bonds to be used in its payment. The aggregate expenditure was \$1,141,684, and a balance was left in the Treasury of \$128,554.

It will be seen that the revenue provided by law for the payment of interest on the Public Debt, not including the Temporary Loan, was insufficient for that purpose. The amount wanting was about \$114,000. There being, however, in the treasury a large sum belonging to the Sinking Fund, derived from the levy for the Temporary Loan, but not needed for its payment until next March, it was thought better to supply the deficient amount from that source than to resort to the power to impose additional levies, vested

by the last General Assembly in the Auditor of State. The public interest was perhaps best consulted in this action; but it involved a departure from that provision of the Temporary Loan Act, which requires the proceeds of the levies for its payment to be absolutely reserved from all other applications; and it may well be questioned whether any advantage gained by such departure ought to prevail over the considerations which enjoin strict compliance with the law. It is obvious, however, that the additional levies necessary to provide for the interest of the debt should have been imposed by the General Assembly itself, fully advised as it was, as to the amount of interest and the inadequacy of the provision made for it. The responsibility of the necessary taxation should have been assumed by the Legislature instead of being imposed upon the Auditor.

A tabular statement appended to this communication, and numbered I, exposes at one view the number of acres of land on the Grand List, their value, the value of taxable town-lots and chattels, the several aggregates of State, county and local levies, and the rates of levy for State purposes in each of the last eight years. It will be seen that the average rate of taxation in the first half of that time exceeded considerably that in the last half; while the aggregate revenue of the last half exceeded that of the first. This result was produced by the larger average basis of taxation in the last period. More than the whole excess of levies was for school purposes and the payment of debts contracted in the first period.

Another tabular statement, numbered II, will show the yearly disbursements for Legislative, Judicial and Executive expenses; for the expenses of the Benevolent and Reformatory Institutions, and on account of the Public Works for three periods of four years each—the first immediately preceding, and the two others immediately following the adoption of the existing Constitution. It will be seen, upon inspection of it, that the expenses were largely increased after the adoption of the Constitution; but that they have been considerably less during the third than during the second of these periods. The average yearly expenditure from 1848 to 1851 was \$738,775; from 1852 to 1855 inclusive, adding to the apparent amounts the unauthorized debts contracted within those years and subsequently paid, \$1,095,824; from 1856 to 1859 inclusive, deducting from apparent amounts payments on account of debts previously contracted, \$995,533. When it is remembered that during the last period the Public Works have become a charge upon the General Revenue; that two new

Reformatory Institutions have been organized; that large additions have been made to the list of judges; that the Comptroller's office has been created; that four sessions of the Legislature have been held; that a number of salaries, especially of judges and officers on the Board of Public Works, have been increased, and that other new expenditures have been directed by the Legislature, may it not be hoped that the results of those four years will be accepted as evidence at least of a sincere desire and endeavor, on the part of the Executive Officers, to perform faithfully their duties to the people?

Besides the advance from the Treasury for repairs of the Hocking Canal, which has been heretofore explained to the Legislature and will be again fully explained in this communication, I am aware of no expenditures beyond appropriations and no debts incurred without authority, during the last two biennial periods, which will embarrass the finances, or oppress the revenues of future years.

Permit me now to invite your attention to some observations upon the Public Debt of the State. That debt, I need hardly repeat, is of two descriptions; the Reducible and the Irreducible. The former represents loans from capitalists; the latter represents the proceeds of School Lands granted by Congress. The former may be reduced by payments; the latter must continue to increase as long as the proceeds of school lands are used and funded as now directed by law, and under the existing pledge of six per cent. to the purposes for which the School Lands were granted.

In January, 1845, after the completion of the Public Works, and after the abandonment of the policy of aid to Public Improvements by State subscriptions to the Stock of Railroad, Canal and Turnpike Companies, the entire debt was \$19,251,170; of which the Reducible Debt was \$17,796,057, and the Irreducible \$1,455,123.

From that time the Reducible Debt was gradually diminished, until the defalcation and debts contracted in anticipation of revenue created a necessity for the Temporary Loan of \$700,000, which was authorized by your predecessors and negotiated in 1858, and is reimbursable on the 1st July, 1860, and 1st March, 1861.

At the close of 1859 the entire debt was thus constituted: The foreign debt was \$13,621,857 20; the Domestic Debt, \$275,385; making the whole Reducible Debt \$13,897,242 20; the Irreducible Debt was \$2,534,076 95; and the Temporary Loan \$700,000, making a total of \$17,131,319 15.

From this amount may properly be deducted \$288,154, already collected for part payment of the Temporary Loan.

It will be seen that in sixteen years the Public Debt has been reduced only by the sum of \$2,368,680. The sums received in the same time from Surplus Revenue, sales of Lands, from the Public Works, and a few miscellaneous sources other than taxes, were \$6,687,947. The greater part, of course, was applied in payment of interest, instead of reduction of principal.

Provisions of the new Constitution prohibited the increase and required the gradual extinction of the debt. An act of the last General Assembly was intended to secure that result. It authorizes, whenever any portion of the debt shall become payable, the issuing of new bonds to an amount sufficient to discharge it. Those new bonds are to be made payable in such installments that the annual levy required by the Constitution will supply the means for their payment in full at maturity; and the act requires their payment accordingly without renewal and without delay.

This plan, if persistently adhered to, will certainly extinguish the whole Reducible Debt; but the operation will require thirty-one years, and many circumstances may occur to suspend or frustrate its result. My own impression is, that the wishes of the people will be better consulted by provision for earlier payment and consequent relief from taxation for interest. Should your opinion be otherwise, you will do nothing, I trust, to impair, but everything to secure the certainty of payment within the time limited by the act.

On the first of January, 1861, if it be the pleasure of the State, \$6,413,325 27 of the debt may be paid. The contract of loan, however, does not impose the obligation of payment at that time. The whole duty of the State will be performed by punctual payment of interest, and such provision for the discharge of the principal as may be required by the interests and wishes of the people.

Whether it be thought expedient or not to adopt the scheme of payment proposed by the act of last year, some change will probably be found necessary in the description of bonds to be issued. That act, as originally framed, and as it passed the Senate by a unanimous vote, contained provisions exempting from taxation the bonds to be issued under it, and also a judicious discrimination in favor of loan-takers within the State. It was amended in the House by striking out the provision for exemption,

and in that shape became law. The discrimination in favor of domestic bondholders was thus converted into a discrimination against them; for, under the law as it now stands, taxation of bonds will not reach foreign holders. I suggest the expediency, therefore, of authorizing the Commissioners of the Sinking Fund, if they shall be of opinion that the interests of the State require the payment of the debt upon the accrual of the right of payment, to provide for it either by new bonds, at any rate of interest not exceeding five per cent., reimbursable at pleasure after a term not exceeding ten years, or by bonds issued as contemplated by the act, and bearing interest not exceeding six per cent. In either case, the bonds should carry upon their face a stipulation expressing their true character, as subject or not subject to reduction by taxation or otherwise. If the bonds of the State are to be taxed at all, there is far more reason for their taxation in the hands of the foreign than of the domestic holder. Neither should be taxed, or both. Both should be taxed, if at all, not by uncertain assessments, but by reserving from payments of interest sums equal to the average taxes for all purposes on other property of equal value. If it be objected to this mode of taxation, that it takes back with one hand the interest paid with the other, and is therefore equivalent to a mere refusal to pay the full rate stipulated, the answer is obvious, that the same objection applies, just as forcibly, to every mode of taxing bonds given for money loaned to the State. It is a very serious, and, in my judgment, an insuperable objection, unless the right of taxation be reserved on the face of the bonds when issued. Whether bonds bearing such reservations will find takers, can only be determined by trial. That they will not, is more than probable; and if they will not, it is certain that the taxation of State bonds is alike impolitic and unjust.

I recommend, therefore, such legislation as will give the suggested discretion to the Commissioners, fix beyond liability to alteration the rate of interest, and secure the control, reduction and final payment of the debt, at the earliest time and in the most economical mode.

The two great lines of canal, including the Wabash and Erie, with their feeders, cost \$12,110,120; the other canals, with the Muskingum Improvement, and the Western Reserve and Maumee Road, cost \$3,467,112, and the amount subscribed to turnpike and railroad companies, was \$3,226,690, making an aggregate cost of \$18,803,922.

For a number of years, the net revenues derived from these works,

though never sufficient to pay the cost of the investment, were very considerable. The competition of railroads, however, soon deprived them of a great part of the business on which reliance had been placed for increase, and at length a marked decline took place. Within the last few years the outlay for repairs and improvements has exceeded the income. The real deficiency last year, after deducting the extraordinary disbursements directed by the Legislature, was not large; but there is little room for hope that it will be less hereafter, while there is much ground for apprehension that it will be greater. It will certainly be greater, unless the introduction of steam navigation, or other circumstances now unforeseen, shall enable the canals to sustain, at less disadvantage, the railroad competition. The cost of these works, however, has doubtless been repaid to the State in the increased value of lands in the counties through which they extend. And this consideration may well abate the censures which the debt contracted for their construction is apt to provoke; while it suggests caution and prudence in dealing with interests so important as are involved in their disposal.

I have heretofore expressed the opinion that they should not be retained under State management, if a sale can be effected at a reasonable price, and under such restrictions and guaranties as will secure to the people the benefits of transportation originally contemplated. That opinion remains unchanged. With economical management in private hands, the canals can probably be made sufficiently productive to warrant the investment of a considerable sum in their purchase. The reduction of the debt by the same amount, and relief from taxation for interest, recommend the sale to the people at large; while the suggested restrictions and guaranties will prevent any loss or inconvenience to the inhabitants of the canal counties.

The State stocks in turnpikes and railroads should not be included in any sale, unless the interest on the price will equal the revenue now derived from them. I recommend that authority be given to the Governor to appoint an agent with ample powers to ascertain the condition of all companies in which the State holds stock. The productiveness of these investments would, I have no doubt, be greatly enhanced by such an investigation.

Should you regard a sale of the Canals as inexpedient, and, in any case, so long as they remain under State management, the propriety of strict compliance, in their administration, with the directions of the Constitution,

will not be questioned. The separation of them into several divisions, and the assignment of each division to the control of a single member of the Board of Public Works, independent, in most important respects, of the Board itself, seems to me not only inexpedient but of more than doubtful constitutionality. I recommend, therefore, such modifications of the act of the last General Assembly on this subject as will secure to the whole Board the control of the Public Works which the Constitution commits to its superintendence. I also recommend the restoration of that provision of the act of 1854 by which the Governor, with the advice and consent of the Senate, is authorized to appoint collectors and inspectors; and I renew the recommendation addressed to your predecessors, of more stringent provisions regulating the settlement of accounts for repairs and other expenses on the canals. Under the law, as it now stands, there is too much room for abuse, to the serious prejudice of the public interests.

During the year 1858, as was fully explained to your predecessors, the sum of \$16,333 was advanced by the Treasurer of State, upon my advice, concurring with that of the other Executive Officers, for repairs of the Hocking Canal, greatly injured and seriously endangered by recent floods. The emergency did not permit delay; and as the Legislature had made no provision for extraordinary contingencies, an occasion seemed to have arisen in which public officers ought to take the responsibility of providing the means necessary to protect the State from great loss, and the citizens, dependent on the canal for transportation, from great injury. The responsibility was taken; the means were provided by an advance from the Treasury, unquestionably the most economical mode; a larger amount than the sum advanced was saved to the Treasury in tolls, and the benefits of the navigation were secured to the people of the locality. I am still of opinion that this money was prudently and properly advanced. A public officer who, in times of overruling emergencies, will not take responsibilities clearly necessary to the public good, as little deserves confidence, as he who rashly assumes them on ordinary occasions and without necessity. It will be for you to determine whether the action of the Treasurer shall receive the legislative sanction which the last General Assembly omitted to give.

It gives me great pleasure to say, that in the department of Public Instruction constant progress and regular improvement have been conspicuous.

Its burdens, however, now press somewhat heavily upon the resources of the people.

Prior to the adoption of the present Constitution, the fund annually raised by general taxation, and distributed to the counties, was comparatively small. For several years the sum for distribution was fixed at \$200,000; less than one-fourth of which was derived from general taxation. After a time this annual sum was reduced, for a number of years, to \$150,000; but finally increased to \$300,000. During this period in the history of our schools, somewhat larger sums than that derived from the State were annually raised by local taxation; but the aggregates from all sources, State and local, did not reach one-third of the totals under the existing system.

The tax for Schools and School Libraries now constitutes somewhat more than three-eighths of the entire levies for State purposes, and nearly one-fourth of those for local purposes. The State and local school taxes in 1858 were \$2,781,824, or nearly one-third of the aggregate levies for all purposes. In 1859, the same levies amounted to \$2,792,178, and bore about the same proportion to the whole. These facts will suggest to the Legislature and to the local authorities the necessity of prudence and the most careful economy.

Few citizens, I trust, are disposed to abridge the means and opportunities of education now offered to the youth of the State. They know that the power created by education, and made available in all forms of labor, in all processes of art, and in every sphere of useful action, is worth many times its cost. They feel, however, that the cost is great, and care is needed, lest by improvidence and extravagance disaffection may be excited towards a system so beneficent.

With a view to the increased efficiency of the system I again direct the attention of the Legislature to the propriety of more effective aid to Teacher's Institutes, and of some provision for agents to be appointed by the State Commissioner to fulfil those duties of addressing public meetings and conferring personally with local authorities, now imposed on that officer, but impossible to be adequately performed without prejudice to demands on his time and attention even more important.

With a view to greater economy, it deserves inquiry whether some additional limitations may not be usefully imposed on the powers now exercised by the Township Boards of Education.

The interest of the Irreducible Debt arising from sales of School Lands is now distributed among the counties according to their respective inter-

ests in such lands. In the counties it is again distributed among the townships in proportions determined by similar considerations.

It cannot be doubted that the Federal Government, in granting these lands, intended equal benefits to all parts of the State. The terms of the grants, however, were originally construed as vesting the title to them in the State for the use of the townships in which the sections sixteen were situated, or for the use of larger districts for which provision was made by grants of lands not within their limits. Whether this construction was correct or not, it may not now be worth while to enquire. It has long been acted on, and may perhaps be regarded as settled. It defeats, however, to a certain extent, the equal intent of the grant; imposes great labor on the State and County Auditors; perplexes the public accounts; and embarrasses somewhat the general operation of our school system.

Upon examination of the apportionment among the counties of the whole fund thus distributed, I am satisfied that very little, if any, cause of complaint would arise, if the various divisions of the Irreducible Debt into Virginia Military, United States Military, Section Sixteen, Section Twenty-Nine, Western Reserve and Moravian were consolidated into one fund, and the whole interest distributed among the counties in the same proportion as the general School Fund. The saving of labor and expense which would be effected by this reform, and the clearness and intelligibility which it would introduce into our financial system, will, in my judgment, warrant some compensation to particular counties, should it be found that any are deprived by it of revenue, to which they have a just claim. The subject is certainly of sufficient importance and interest to merit your careful consideration, and as such I recommend it to your attention.

The condition of the Benevolent and Reformatory Institutions is, upon the whole, highly satisfactory.

The number remaining in the Asylum for the Deaf and Dumb at the close of the last year, was 158; at the close of the preceding year 150. A greater number of inmates than the present cannot be accommodated, though, for want of room, many equally needy and equally deserving with those now received, must be excluded. The expenses of the past year were \$25,123, and those of the preceding year \$21,432. A large part of the increase was for necessary repairs and improvements beyond those of ordinary years. An appropriation of \$24,500 is asked for 1860, and an urgent request for a new building is preferred. Nor should I hesitate to

recommend new and enlarged structures if the revenue from the levies of last year would warrant me in so doing. Should you see fit to take measures for ascertaining the best location and plan of such structures, and provide for the cost by the necessary levy, I do not doubt that your action could be approved by our common constituents.

The number of inmates of the Institution for the Blind increased from 105 in 1858, to 120 in 1859. The highest number which had previously enjoyed the benefits of the Institution was 73, in 1848. The constant increase in the number of pupils, and their improvement, is the highest eulogy upon its management. The expenses in 1859, were \$18,837; in 1858, \$16,202. The appropriation asked for 1860, in view of a proposed enlargement, is \$26,500.

In the Asylum for Idiots, thirty children have been received, supported and instructed during the past year, at an aggregate expense of \$10,900, exclusive of sums received on account of paying inmates. The expenditure is certainly large, but it includes some payments of debts incurred during the preceding year, and some for rent and insurance, for which no disbursements are made by the other Institutions. It should be remembered, also, that the expenses of an asylum receiving few inmates must necessarily be larger in proportion than those of one receiving many. The number in the Asylum for Idiots would be doubled if its capacity admitted of it, and the outlay would not be materially increased. True economy requires, in my judgment, the purchase of the site and buildings now rented, and the enlargement of the latter.

The structure authorized in Hamilton county, for the Idiotic and Insane, has been recently completed. It is said to be very commodious, and sufficiently large to accommodate with facility five hundred, and, upon necessity, six hundred inmates. A Board of Trustees has been organized for its government, consisting of one member appointed by me, and two appointed by the Commissioners of Hamilton county. That county, therefore, now constitutes the Southwestern Lunatic Asylum District, and the Institution just organized is to receive all the idiotic and insane within its limits, to be supported by a county tax, and appropriations from the State Treasury, equal in amount to the taxes collected in the county for the maintenance of State Lunatic Asylums. I am informed that no such county tax as is described in the act is authorized or levied in Hamilton

county. Some legislation, therefore, will doubtless be necessary to provide for its support.

Thus four Lunatic Asylums are now open in the State, capable of receiving a few more than twelve hundred inmates. Large as this provision is, it is yet sadly certain that it is not large enough. Not less than a thousand insane, needing the benefits of such institutions, must still remain either wholly neglected or inadequately provided for.

I cannot recommend, however, additional public provision. Judicious legislation regulating County Infirmaries, and authorizing private asylums, would, in my judgment, afford all needed relief, and perhaps diminish the large expenditures now borne by the State.

The number of inmates in each of the three Lunatic Asylums heretofore organized, was less at the close of the last than at the close of the preceding year. Sufficient reasons for the diminution are assigned in the several reports. The fact, however, is much to be regretted, though compensated in part by increased success in treatment. It may be safely said, I think, that these Asylums were never in better condition than now

The total expenses of the three Asylums, during the past year, were \$93,427, and the appropriations asked for 1860 are \$111,670. The general aggregate of disbursements must be increased during the present year, by the necessary provision for the South-western Asylum. The strictest economy will be necessary to bring the annual cost of the four Asylums within limits satisfactory to the people.

The number of boys remaining on the State Reform Farm, at the close of 1859, was 102. At the close of 1858, it was 33. The expenditures during the last year were \$21,517; of which a large proportion was for buildings and other permanent improvements which have added largely to the value of the farm as property. This institution has thus far fulfilled the wise and humane design of the Legislature. Its direct agency in reformation has been quite as efficient as was anticipated, while it would be difficult to measure its utility in the prevention of crime.

Under the influence of its example Industrial Schools have been organized in Cleveland and Cincinnati for that class of vagrants and destitute children,—social orphans,—who cannot be brought into the Common Schools, and from whose numbers the ranks of crime are continually recruited. The Institution at Cleveland offering not only some measure of instruction, but employment and food as inducements to attendance, has

been, thus far, extremely useful, and gives promise of yet greater utility. Vagrancy, pilfering, and more serious crime, have sensibly diminished under its influence. That at Cincinnati, more recently begun, is yet to make proof of its efficiency for good.

Upon examining the Reports of the various Institutions, you will doubtless observe considerable differences in amount and value of information, and in modes of treatment. I have heretofore suggested, and now renew the suggestion, that the several Superintendents or Presidents of Boards of Trustees be required to meet at least once a year for consultation upon plans of management, and on modes of making up Reports. I do not doubt that such consultations will promote economy in administration, and secure much clearer and better statements of its theory, history and results.

The administration of the Penitentiary during the last year was eminently successful. While the number of convicts increased from 693 to 853, exceeding the number of available cells by 153 and compelling the use of the chapel and hospital as convict quarters, the judicious discipline of the prison was such that industry, order and health prevailed in unusual degrees within its walls. It was impossible, at once, to find profitable employment for so numerous a body of prisoners, and yet, though expenditures necessarily increased with numbers, they were exceeded by the earnings of the year. The two additional buildings directed by the last General Assembly are nearly completed, at a cost considerably reduced by the employment of convict labor in portions of the work. When finished they will supply seventy-five additional cells. But the number will still be far too small, and, if prisoners continue to multiply at the present rate, the disproportion, already inconvenient, must soon become dangerous.

Under a Joint Resolution of your predecessors I appointed a Commission of three citizens to enquire into the expediency of further enlarging the present prison, or constructing a new one in some other part of the State. Their report, I presume, will soon be submitted to you, and it will be for you to determine what action is required by the public interest.

I have thought it my duty to exercise the power of pardon somewhat more sparingly than most of my predecessors. No light reason has been consciously permitted to induce interference with the verdicts of juries and the sentences of courts. Still the number of cases in which I have felt

myself bound to interpose has not been very small. In some, the innocence of the prisoner has been made manifest; in others, mitigating circumstances have come to light, which, if known, would have abated the rigor of the sentence; and in others clear evidence of reformation and exemplary conduct in prison, with other circumstances, seemed to require my action. A report will be immediately laid before you, stating fully each case of pardon, with the reasons which decided my judgment.

The state of the law in respect to the collection, safe-keeping and disbursement of revenue will necessarily command your attention. The first consideration, without doubt, in every discussion concerning public moneys, is safety. If safety can be combined with general convenience and advantage, few will question the wisdom of the combination. Such a combination, in my judgment, may be obtained by providing for the payment of all dues to the State, in coin or the notes of the specie paying Banks of Ohio; by authorizing the selection of depositaries by the State Treasurer, under suitable guards and restrictions, and by requiring ample and unquestionable security for prompt payment of all deposits, on demand, in specie or specie notes. No interest should be taken on deposits except for the State. All use of public moneys by public officers, and all attempts to secure in any way, private advantage from the deposit or other disposition of public funds, should be strictly prohibited under the severest penalties.

Such a system will approach as nearly to the Independent Treasury of the Federal Government as a due regard to the welfare of the people will admit; and much nearer, in my opinion, than the system recently adopted. The act of 1858, by which that system was introduced, contains many useful provisions; but their value is greatly impaired by its virtual sanction of the receipt of whatever the several County Treasurers may choose to take in payment of taxes; by the absence of all provision in relation to the exchange of funds; and by its omission to require bonds to the satisfaction of State officers for the safe-keeping and transfer of moneys belonging to the State. In the practical execution of the act the County Treasurers have generally received for taxes whatever was current in their counties, and in some instances, it is said, checks of individuals on Banks in their vicinity, and have made such exchanges of the funds received for coin or other funds, as the public interest seemed to require. That in this action they were governed by considerations of public convenience and public duty, is not questioned. The action itself, however, reveals the defective char-

acter of the law. When bank notes are received in payment of taxes, and retained in the Treasury, the banks issuing them, whether foreign or domestic, are made the real depositaries of the public funds, without interest and without security. So, where checks of private citizens are received, those citizens, so long as their checks are held, are constituted such depositaries. The virtual requirement by the act of the exchange of currency for coin, and the virtual permission of the exchange of currency for other currency can hardly fail to give occasion to dangerous dealing with the public funds. The act, therefore, seems to me to fail of its intent. Under it a deposit system of the most unsafe description may grow up, and the use of public funds for private benefit can hardly be prevented. Everything must depend on the integrity of the State and County Treasurers.

I see no way of escape from these difficulties, except by substituting for this system of indirect deposits and hazardous exchange, a thoroughly guarded plan for the direct deposit of all moneys received, without exchange, with selected depositaries, from whom ample securities have been required and taken; or by the adoption, in full, of the Federal system, providing for the appointment of Sub-Treasurers, requiring from them ample bonds, and prohibiting the receipt, for public dues, of anything but coin, or, at most, specie notes of Ohio banks. Even such notes could not be received without constituting the banks, to the extent of such receipts, public depositaries without security. Of two such alternatives as these, it can hardly be doubted that, under existing circumstances, the former will receive the approval of the people.

In former communications, I have repeatedly recommended to legislative consideration the interests of our Agriculture. Of the entire products of the State, two-thirds are from the farms. Of the entire wealth of the State, more than half is in farms. Of the entire taxation of the State, much more than half is paid by farmers. To protect their interests and promote their prosperity, must necessarily be prominent objects of wise legislation. Suggestions in relation to these objects, meriting careful consideration, will be found in the Agricultural Report and in the Resolutions of the State Board of Agriculture. Permit me, also, to renew a suggestion heretofore made, of additional provision for premiums to be offered in the State and County Agricultural Societies. And may I not add that the resumption and completion of the Geological Survey of the State, with special reference to agriculture and mining, could not fail to benefit all interests connected with the soil?

An act of the last General Assembly directs the judges of elections to reject the votes of persons who may appear to have a distinct and visible admixture of African blood. It is not very easy to determine what is a distinct admixture of that description of blood, or when it may be said to be visible. It is quite certain, however, that it is beyond the power of the Legislature to enlarge or abridge the right of suffrage defined by the Constitution. By that instrument it is restricted to white male citizens. The question, who are included in the description, is not for the Legislature, but for the Courts. An attempt to decide it by enactment must necessarily be mischievous, both in itself and as a precedent. The act referred to is not only such an attempt, but it gives to judges of elections, under a loose and uncertain rule, a large and dangerous power, capable of being perverted to extreme abuse. I therefore recommend its repeal.

The Constitution declares that there shall be no slavery in this State, nor involuntary servitude, except for punishment of crime. To give effect to this provision and to arrest the practice, becoming common through impunity, of seizing and taking out of the State, without any warrant or process of law, persons claimed as fugitives from service, though often, in fact, free, I recommend the re-enactment of the acts repealed by the last General Assembly, prohibiting slaveholding and kidnapping in Ohio, and securing more effectually the benefits of the writ of habeas corpus.

Four years since, the military force of the State was thoroughly disorganized. The public arms—a large property—were scattered through the counties, and in danger of total loss. No adequate security, in the form of bonds or otherwise, protected the State against that hazard. The laws made no sufficient provision, either for discipline or organization. This condition of things naturally attracted the attention of the General Assembly, and successive laws have been enacted, designed to remedy existing evils. Under these laws, considerable quantities of arms have been collected, and either sold, if useless, or, if worth repair, made fit for service. A respectable force of volunteers has been organized and officered, and, as far as practicable, disciplined. This force now constitutes a fitting nucleus for an organization entirely competent to all probable emergencies. As law is the expression of the public will, so police is the expression of the public force. A body of volunteer militia, not unnecessarily large, but well ordered and efficient, is an important element of police, and affords, in extraordinary emergencies, a necessary guaranty of order and peace.

Much credit is due to many public spirited citizens for their efforts, both as officers and men, to promote reform and discipline in military organization; and especially to the Adjutant General and the Quarter Master General for their unremitting labors to that end. Their reports exhibit clearly the present condition and needs of this branch of the public service, and their suggestions will, doubtless, receive your attentive consideration.

I invite your attention to the increased expense of public printing. This results in part from defects in the act regulating the subject, and in part from the mode in which the reports of the several Institutions are prepared. The evil may be remedied to a considerable extent, by authorizing the Secretary of State to prescribe the mode in which documents shall be printed, and also the mode in which the statements of receipts and expenditures by the several Institutions shall be made.

All the official Reports, directed by law to be printed prior to the meeting of the General Assembly, except those of the Attorney General and the Commissioner of Common Schools, delayed by the remissness of county and local officers, have been more promptly made than in any previous year; and all, except that of the Auditor of State which is in the hands of the printer, have been printed and are ready to be laid before you. They will be transmitted to each House without delay.

It becomes my duty to lay before you, in compliance with the request of the Governor of New York, the Concurrent Resolutions of the Senate and Assembly of that State, condemning the African Slave Trade, and protesting against the re-opening of that inhuman traffic. The people of Ohio, without distinction of party, and almost without individual exceptions, unite in reprobation of the traffic and its revival.

With these resolutions, I also transmit for your information, copies of letters addressed by the Governor of Virginia to the President of the United States and to myself, and of my reply to that addressed to me.

I doubt not, gentlemen, that I expressed your own sentiments, as well as those of our common constituents, when I declared my conviction that it is the duty of the Executive authorities of Ohio to exercise whatever power the law may vest in them for the suppression of unlawful combinations against the peace and safety of other members of the Federal Union; and that the people of Ohio, while they will suffer no invasion of

their own territory, will countenance no invasion of the territory of other States; but, expecting from them the fulfilment of every constitutional obligation, will require of their own authorities the prompt performance of reciprocal duties.

While we will not disavow just admiration of noble qualities, by whomsoever displayed, we must not the less, but rather the more, earnestly condemn all inroads into States, not merely at peace with us but united to us by the bonds of political union, and all attempts to excite within their borders, servile insurrections, necessarily tending to involve the country in the calamities of civil, as well as servile, war.

That a spirit of distrust and alienation has arisen in the country, it were idle to deny. That it is not shared, in any great degree, by the masses in either section, is, I trust, equally true. The people desire Union and Concord; not Discord and Disunion.

Claiming no absolute exemption from blame in behalf of the free States, we cannot admit their liability to exclusive censure.

In repeated instances, without pretence of justification, the territory of Ohio has been clandestinely entered, and peaceful inhabitants, guilty of no crime but color, have been cruelly kidnapped; the Fugitive Slave Act, necessarily repugnant to public sentiment, and believed by a large majority to be unconstitutional in some of its conspicuous provisions, if not in its origin, has been executed within her limits with circumstances of aggravation which could not fail to excite the deepest feeling; and cases have not been wanting where her citizens, travelling on lawful business in Slave States, on mere suspicion of obnoxious sentiments, have been subjected to espionage and indignity—to arrest and imprisonment. To these particular causes of complaint must be added the general grievance of the repeal of the Missouri Prohibition, manifesting the determination of a large majority of the slave-holding class to extend Slavery throughout National Territories.

Notwithstanding these causes of complaint, and in confident expectation of their ultimate removal through the influence of better information and juster sentiments, the people of Ohio have held fast to the Constitution and to the Union. They have ever respected all the rights of all the States and of all the citizens of the States. They have never resisted with illegal force even the execution of the Fugitive Slave Act by federal officers acting under legal warrants.

Ohio has uttered no menace of disunion when the American people have seen fit to entrust the powers of the Federal Government to citizens of other political views than those of a majority of her citizens. No threats of disunion in a similar contingency by citizens of other States will excite in her any sentiments save those of sorrow and reprobation. They will not move her from her course. She will neither dissolve the Union herself nor consent to its dissolution by others.

Faithful to the covenant of the Ordinance, she will resist the extension of Slavery; confirmed in the principles of the Constitution, she will oppose its nationalization: true to the faith in which her youth was nurtured, and calm in the consciousness of her matured strength, she will abide in the Union, and, under the Constitution, maintain Liberty.

Let us hope that good counsels may yet prevail; that differences may be composed by a return to the faith of the Fathers, and to the original policy of the Republic; and that our whole country, thus relieved from existing causes of dissension, may once more present to the admiration of the world the spectacle of a great and prosperous community of truly United States, protected in their industry and defended in their rights by the equal laws and impartial administration of State and Federal Governments. To this end, at least, let no efforts of ours be wanting.

S. P. CHASE.

COLUMBUS, January 2, 1860.

Table No. I.—General Summary of the Grand List of the State of Ohio

	YEARS.					
	1852.		1853.		1854.	
Number of acres	24,413,630		24,863,793		25,063,032	
Value of lands	273,378,744		\$278,169,709		\$429,245,467	
Value of towns	81,558,374		85,321,192		140,622,943	
Value of chattels	152,644,763		299,905,947		297,061,572	
Total taxable valuation	507,581,911		593,396,848		866,929,982	
	Levy.		Levy.		Levy.	
STATE TAXES.						
For Sinking Fund	\$1,015,163 82	2 mills	\$1,186,793 70	1 1/4 mills	\$1,083,662 47	
“ Gen. Revenue Fund	507,581 91	1 “	593,396 85	7-10 “	606,850 98	
“ State Com. Sch’l Fnd	253,790 95	2 “	1,186,793 70	1 1/2 “	1,300,394 97	
“ Dis. Sch’l Library “		1 1-10 “	59,339 68	1-10 “	86,692 98	
Total State taxes	3 1/2 mills	1,776,536 68	5 1-10 “	3,026 323 93	3 11-20 “	3,077,601 40
COUNTY TAXES.						
For county expenses	\$983,501 95		\$1,101,716 78		\$1,148,565 67	
“ bridge purposes	135,617 04		217,416 63		316,677 60	
“ poor purposes	104,627 92		177,521 72		187,262 99	
“ building purposes	91,269 71		240,687 89		463,877 16	
“ road purposes	234,637 29		270,368 78		370,025 99	
“ railroad purposes	312,479 80		248,110 26		238,787 54	
“ county sch’l purposes	552,665 72					
Total county taxes	2,414,799 43		2,255,822 06		2,725,196 95	
OTHER LOCAL TAXES.						
For township expenses	\$268,256 51		\$269,977 29		\$292,939 13	
“ special school and school house	193,765 10		987,696 06		1,295,424 84	
“ other special purposes			119,234 90		155,872 30	
“ city, town and borough purposes	808,836 85		934,149 08		1,328,192 12	
Total taxes levied by city, town, township and district assessment	1,270,411 46		2,311,057 33		3,072,428 39	
Grand total county and other local taxes	\$3,685,210 89		\$4,566,879 39		\$5,797,625 34	
Delinquencies and forfeitures	\$212,587 94		\$230,601 95		\$217,112 76	
Total of all taxes except State	\$3,897,798 83		\$4,797,481 34		\$6,014,738 10	
Total taxes on the Grand List	\$5,674,33 551		\$7,823,805 27		\$9,092,339 50	

for 8 years—beginning with 1852, and ending with 1859.

YEARS.

1855.		1856.		1857.		1858.		1859.	
25,220,083		25,191,639		25,329,620		25,298,968		25,320,842	
\$432,361,785		\$433,245,177		\$435,614,676		\$437,183,132		\$438,439,600	
145,596,754		147,389,310		150,006,006		153,102,815		155,674,404	
233,018,815		240,026,550		263,793,897		250,514,084		251,785,947	
860,877,354		820,661,037		849,414,579		840,800,031		845,899,951	
Levy.		Levy.		Levy.		Levy.		Levy.	
1 mill	\$860,877 35	7-10 mills	\$574,456 33	9-10 mills	\$757,517 27	1¼ mills	\$1,047,902 00	1¼ mills	\$1,055,119 78
6-10 "	516,526 41	1 "	820,669 37	7-10 "	589,275 94	7-10 "	587,206 89	7-10 "	590,870 39
1½ "	1,291,316 03	1½ "	1,231,007 13	1½ "	1,262,601 80	1½ "	1,259,092 50	1½ "	1,267,433 44
1-10 "	86,087 72					1-10 "	83,920 76	1-10 "	84,494 99
3 2-10 "	2,754,807 51	3 2-10 "	2,626,132 83	3 1-10 "	2,609,395 01	3 11-20 "	2,978,122 15	3 11-20 "	2,997,918 60
\$1,188,568 29		\$903,803 35		\$996,042 05		\$1,130,939 20		\$1,305,095 69	
332,078 65		229,065 07		268,865 42		361,988 66		398,403 37	
238,332 85		212,213 33		223,247 03		222,471 94		277,323 12	
272,538 05		276,552 99		293,923 07		320,954 57		274,664 16	
364,715 12		243,070 49		188,568 29		350,435 08		402,293 60	
366,072 06		367,588 76		431,639 12		462,430 35		493,359 80	
.....									
2,763,305 02		2,232,293 99		2,402,284 98		2,849,219 80		3,151,139 74	
\$302,841 50		\$278,009 63		\$209,922 61		\$248,051 32		\$309,635 07	
1,246,346 02		1,285,938 95		1,418,097 30		1,438,810 88		1,440,249 73	
200,336 91		184,917 26		232,918 78		216,425 06		245,860 57	
1,194,093 58		1,090,076 84		1,316,718 70		1,417,391 07		1,471,958 06	
2,943,618 01		2,383,942 68		3,267,657 39		3,356,678 33		3,467,703 43	
\$5,705,923 03		\$5,071,236 67		\$5,669,942 37		\$6,205,898 13		\$6,618,843 17	
\$493,781 35		\$312,144 42		\$393,960 86		\$572,630 02		\$428,576 45	
\$6,199,704 38		\$5,383,381 09		\$6,063,903 23		\$6,778,528 15		\$7,047,419 62	
\$8,954,511 89		\$8,009,513 92		\$8,673,298 24		\$9,756,650 30		\$10,045,338 22	



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TABLE NO. II.—STATEMENT,

Exhibiting the yearly expenses of the State Government of Ohio from 1848 to 1859, inclusive—showing the entire disbursements except for Schools and for Principal and Interest of Public Debt.

	1848 to 1851.	1852 to 1855.	1856 to 1859.
Total disbursements from 1848 to 1851, inclusive.	1848 \$630,464 31 1849 752,180 54 1850 720,781 48 1851 851,677 56	1852 \$968,052 74 1853 1,022,491 97 1854 1,028,305 54 1855 739,661 39	
Average yearly disbursements from 1848 to 1851, inclusive	2,955,103 89 738,775 97		
Total amount disbursed 1852 to 1855, inclusive		3,758,511 64	1856 \$1,430,116 29
To which add debts contracted in 1855 and paid in 1856.		576,096 18	1857 951,186 68
" " also debts paid since 1856 on contracts prior to that year.		48,692 00	1858 1,170,973 82
Total disbursements from 1852 to 1855, inclusive.		4,383,299 82	1859 1,054,645 40
Average yearly disbursements from 1852 to 1855, inclusive		1,095,824 95	
Total amount disbursed 1856 to 1859, inclusive			4,606,922 19
Deduct debts contracted prior to 1855 and paid in last four years			624,788 18
Total disbursements from 1856 to 1859, inclusive.			3,982,134 01
Average yearly disbursements 1856 to 1859, inclusive.			995,533 50

RECAPITULATION.

Total disbursements	1848 to 1851, inclusive.....	\$2,955,103 89	
"	1852 to 1855, inclusive.....	4,383,299 82	
"	1856 to 1859, inclusive.....	3,982,134 01	
	Average annual disbursements	1848 to 1851	\$ 738,775 97
	"	1852 to 1855	1,095,824 95
	"	1856 to 1859	995,533 50